

GOVERNMENT CODE

TITLE 10. GENERAL GOVERNMENT

SUBTITLE C. STATE ACCOUNTING, FISCAL MANAGEMENT, AND PRODUCTIVITY

CHAPTER 2105. ADMINISTRATION OF BLOCK GRANTS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 2105.001. DEFINITIONS. In this chapter:

(1) "Agency" means:

- (A) the Health and Human Services Commission;
- (B) the Department of State Health Services;
- (C) the Texas Department of Housing and Community Affairs;
- (D) the Texas Education Agency;
- (E) the Department of Aging and Disability Services; or
- (F) any other commission, board, department, or state agency designated to receive block grant funds.

(2) "Block grant" means a program resulting from the consolidation or transfer of separate federal grant programs, including federal categorical programs, so that the state determines the amounts to be allocated or the method of allocating the amounts to various agencies or programs from the combined amounts, including a program consolidated or transferred under the Omnibus Budget Reconciliation Act of 1981 (Pub. L. No. 97-35).

(3) "Program" means an activity designed to deliver services or benefits provided by state or federal law.

(4) "Provider" means a public or private organization that receives block grant funds or may be eligible to receive block grant funds to provide services or benefits to the public, including:

- (A) a local government unit;
- (B) a council of government;
- (C) a community action agency; or
- (D) a private new community developer or nonprofit community association in a community originally established as a new community development program under the former

Urban Growth and New Community Development Act of 1970 (42 U.S.C. Section 4511 et seq.).

(5) "Recipient" means an individual or a class of individuals who receives services or benefits available through block grants.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 1995, 74th Leg., ch. 173, Sec. 1, eff. Aug. 28, 1995; Acts 1997, 75th Leg., ch. 165, Sec. 6.29, eff. Sept. 1, 1997.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1 (S.B. [219](#)), Sec. 2.278, eff. April 2, 2015.

Sec. 2105.002. COMBINATION OF PROGRAMS NOT INTENDED TO REDUCE SERVICES. The process of combining categorical federal assistance programs into block grants should not have an overall effect of reducing the relative proportion of services and benefits made available to low-income individuals, elderly individuals, individuals with disabilities, and migrant and seasonal agricultural workers.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1 (S.B. [219](#)), Sec. 2.279, eff. April 2, 2015.

Sec. 2105.003. CHANGE IN FEDERAL LAW OR REGULATION. If a change in a federal law or regulation does not provide for temporary waivers to allow compliance with state law and because of the change an agency or provider does not have sufficient time to comply with a procedure required by this chapter, the agency or provider may act in compliance with federal law and shall comply with procedures required by this chapter as soon as possible.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2105.004. DISCRIMINATION PROHIBITED. An agency or provider may not use block grant funds in a manner that discriminates on the basis of race, color, national origin, sex, or religion.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2105.005. PRIORITY TO POVERTY PROGRAMS. (a) An agency should give priority to programs that remedy the causes and cycle of poverty if:

(1) the alleviation of poverty is a purpose of the block grant; and

(2) the agency has discretion over the types of programs that may be funded with the block grant.

(b) In administering a block grant, an agency shall consult:

(1) low-income recipients;

(2) low-income intended recipients; and

(3) organizations representing low-income individuals.

(c) To the extent consistent with the purpose of the block grant, an agency's rules shall ensure that providers use block grant funds to the maximum benefit of low-income recipients and intended recipients.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1 (S.B. [219](#)), Sec. 2.280, eff. April 2, 2015.

Sec. 2105.006. AGENCY AUDITS. (a) An agency's expenditure of block grant funds is subject to audit by the state auditor in accordance with Chapter [321](#).

(b) The state auditor immediately shall transmit a copy of an audit of an agency to the governor. Not later than the 30th day after the date on which an audit of an agency is completed, the governor shall transmit a copy of the audit to the appropriate federal authority.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2105.007. PROVIDER AUDITS. A provider that receives block grant funds from an agency shall provide the agency with evidence that an annual audit of the provider has been performed.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2105.008. UNIFORM MANAGEMENT. Chapter 783 applies to agencies and providers for the purpose of block grant administration.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2105.009. PRIMARY CARE BLOCK GRANT. (a) The Department of State Health Services shall administer a primary care block grant if that grant is authorized and if the department satisfies federal requirements relating to the designation of an agency to administer the grant.

(b) In administering the primary care block grant, the department may:

(1) receive the primary care block grant funds on behalf of the state;

(2) spend primary care block grant funds and state funds specifically appropriated by the legislature to match funds received under a primary care block grant;

(3) make grants to, advance funds to, contract with, and take other actions through community health centers that meet the requirements of 42 U.S.C. Section 254c(e)(3) to provide for the delivery of primary and supplemental health services to medically underserved populations of the state; and

(4) perform other activities necessary to administer the primary care block grant.

(b-1) The executive commissioner of the Health and Human Services Commission may adopt necessary rules for administering the primary care block grant.

(c) In this section:

(1) "Community health center" has the meaning assigned by 42 U.S.C. Section 254c(a), as that law existed on April 23, 1986.

(2) "Medically underserved population," "primary health services," and "supplemental health services" have the meanings assigned by 42 U.S.C. Section 254c(b), as that law existed on April 23, 1986.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1 (S.B. [219](#)), Sec. 2.281, eff. April 2, 2015.

SUBCHAPTER B. DEVELOPMENT OF PLAN; PUBLIC INFORMATION

Sec. 2105.051. DEFINITION. In this subchapter, "plan" means a report submitted to the federal government that contains a statement of activities and programs to show the intended and actual use of block grant funds.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2105.052. CONTENTS OF PLAN. A plan must describe:

- (1) major changes in policy for each program;
- (2) the extent of anticipated reductions or increases in services under the block grant; and
- (3) the nature of any fees a recipient must pay to receive services funded under the block grant.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2105.053. PUBLIC HEARINGS ON INTENDED USE OF FUNDS.

(a) In developing a request for appropriations before each regular legislative session, an agency shall hold public hearings in four locations in different areas of the state to solicit public comment on the intended use of block grant funds.

(b) An agency must conduct at least two of the hearings required by this section after normal agency working hours.

(c) An agency may hold a hearing required by this section in conjunction with:

- (1) another agency without regard to whether the block grants administered by the agencies are for different purposes; or
- (2) the governor's office.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2105.054. NOTICE OF HEARING. (a) An agency shall:

- (1) provide notice of a public hearing regarding the plan for a block grant not later than the 15th day before the date of the hearing;

(2) post the notice in a conspicuous place in each agency office;

(3) include in the notice a clear and concise description of the matters to be considered and a statement of the manner in which written comments may be submitted;

(4) maintain lists of interested persons;

(5) mail notices of hearings to interested persons;
and

(6) conduct other activities necessary to promote public participation in the public hearing.

(b) A notice prepared under this section must be printed in English and Spanish.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2105.055. PUBLIC COMMENTS. (a) An agency shall summarize, in a fair manner, the types of public comments received by the agency during public hearings regarding a plan.

(b) If an agency's final decision does not reflect the recommendations of particular classes of public comments, the agency shall provide a reasoned response justifying the agency's decision as to each comment.

(c) An agency shall distribute the summary of public comments and the responses to the comments as part of the plan and shall:

(1) have the summary and response published in the Texas Register; and

(2) make the summary and response available to the public.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2105.056. PUBLIC INFORMATION. (a) An agency shall publish information for the public:

(1) describing the manner in which the agency's staff develops preliminary options for the use of block grants; and

(2) stating the period in which the preliminary work is usually performed.

(b) An agency shall undertake public information activities

necessary to ensure that recipients and intended recipients are informed of the availability of services and benefits.

(c) Information published under this section must be printed in English and Spanish.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2105.057. CONSULTATION ACTIVITIES. (a) An agency shall consult interested members of the public to assist the agency in developing preliminary staff recommendations on the use of block grant funds.

(b) During preparation or amendment of a plan, an agency shall consult:

(1) affected groups, including local governments, charitable organizations, and businesses that provide or fund services similar to the services that may be provided by the agency under the block grant; and

(2) any state advisory or coordinating council that has responsibility over programs similar to the programs that may be provided under the block grant.

(c) An agency that is authorized to approve the allocation of more than \$10 million in block grant funds in a year by a discretionary manner other than an objective formula required by federal law shall provide that the consultation required by Subsections (a) and (b)(1) must occur in each of the agency's regions.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2105.058. PUBLIC HEARING BY CERTAIN PROVIDERS. (a) This section applies to a provider that receives more than \$5,000 in block grant funds to be used as the provider determines appropriate.

(b) Annually, a provider shall submit evidence to the agency that a public meeting or hearing was held in a timely manner solely to seek public comment on the needs or uses of block grant funds received by the provider.

(c) A provider may hold a meeting or hearing under Subsection (b) in conjunction with another meeting or hearing of

the provider if the meeting or hearing to consider block grant funds is clearly noted in an announcement of the other meeting or hearing.

(d) An agency's rules may require a provider to undertake other reasonable efforts to seek public participation.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1 (S.B. [219](#)), Sec. 2.282, eff. April 2, 2015.

Sec. 2105.059. AVAILABILITY OF RULES AND ELIGIBILITY REQUIREMENTS. An agency shall maintain for public inspection in each office:

(1) the rules and eligibility requirements relating to the administration of block grant funds; and

(2) a digest or index to rules and decisions.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

SUBCHAPTER C. COMPLAINTS

Sec. 2105.101. PUBLICATION OF PROCEDURES. An agency shall distribute publications that describe:

(1) the block grant programs administered by the agency; and

(2) how to make public comments and complaints about the quality of services funded by the block grant.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2105.102. INVESTIGATION. (a) An agency shall have a procedure for investigating complaints about the programs funded by a block grant.

(b) Before the 31st day after the date on which the complaint is received, the agency shall:

(1) complete the investigation; or

(2) notify the complainant when the investigation can be completed, if the investigation cannot be completed within the period provided by this subsection.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2105.103. NOTICE TO PROVIDER; RESPONSE. (a) An agency shall inform a provider of any complaint received concerning the provider's services.

(b) An agency shall give a provider a reasonable time to respond to a complaint.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2105.104. USE OF COMPLAINTS; ANNUAL SUMMARY. (a) An agency shall use the complaint system to monitor and ensure compliance with applicable federal and state law.

(b) An agency shall consider the history of complaints regarding a provider in determining whether to renew a contract or subgrant for the use of block grant funds by the provider.

(c) An agency shall summarize annually the types of complaints received by the agency.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

SUBCHAPTER D. DENIAL OF SERVICES OR BENEFITS

Sec. 2105.151. RIGHT TO REQUEST HEARING ON DENIAL OF SERVICES OR BENEFITS. Except as provided by Section [2001.223\(1\)](#), an affected person who alleges that a provider or an agency has denied all or part of a service or benefit funded by block grant funds in a manner that is unjust, discriminatory, or without reasonable basis in law or fact may request an administrative hearing under Chapter [2001](#).

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2105.152. HEALTH AND HUMAN SERVICES COMMISSION PROCEDURES FOR FAIR HEARING. The Health and Human Services Commission shall use procedures for conducting a fair hearing under this subchapter.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1 (S.B. [219](#)), Sec. 2.283, eff. April 2, 2015.

Sec. 2105.153. HEARING ON DENIAL OF SERVICES OR BENEFITS BY AGENCY. (a) An agency administering block grant funds shall conduct a timely hearing on the denial of a service or benefit by the agency.

(b) On determining that services were wrongfully denied, an agency shall take appropriate action to correct the practices or procedures of the agency.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2105.154. HEARING ON DENIAL OF SERVICES OR BENEFITS BY PROVIDER. (a) The agency that provides block grant funds to a provider shall conduct a timely hearing on the denial of a service or benefit by the provider.

(b) A hearing under this section must be held in the locality served by the provider.

(c) On determining that services were wrongfully denied, an agency shall take appropriate action to correct the practices or procedures of the provider.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

SUBCHAPTER E. NONRENEWAL OR REDUCTION OF BLOCK GRANT FUNDS OF SPECIFIC PROVIDER

Sec. 2105.201. APPLICATION OF SUBCHAPTER; EXCEPTION. (a) This subchapter applies if:

(1) an agency reduces a provider's block grant funding by 25 percent or more; and

(2) the agency provides the block grant funds to another provider in the same geographic area to provide similar services.

(b) This subchapter does not apply if a provider's block grant funding becomes subject to the agency's competitive bidding rules requiring the agency to invite bids for competitive evaluation.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2105.202. RULES; CONSIDERATIONS. (a) The individual or entity responsible for adopting rules for an agency shall adopt specific rules for the agency that define good cause for nonrenewal of a provider's contract or reduction of a provider's funding.

(b) In deciding whether to renew a provider's contract or to reduce a provider's funding, an agency shall consider:

(1) the effectiveness of services rendered by various providers;

(2) the cost efficiency of programs undertaken by each provider;

(3) the extent to which the services of each provider meet the needs of groups or classes of individuals who are poor or underprivileged or have a disability;

(4) the degree to which services can be provided by other programs in that area;

(5) the extent to which recipients are involved in the providers' decision making; and

(6) the need to provide services in the state without discrimination as to race, religion, or geographic region.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1 (S.B. 219), Sec. 2.284, eff. April 2, 2015.

Sec. 2105.203. NOTICE TO PROVIDER OF REDUCTION. Not later than the 30th day before the date on which block grant funds are reduced, an agency shall send a provider a written statement specifying the reason for reducing the funding.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2105.204. HEARING ON REDUCTION OF FUNDING. (a) After receiving notice that block grant funds are to be reduced as provided by Section 2105.203, a provider may request an administrative hearing under Chapter 2001 if the provider alleges that a reduction of funding:

(1) violates the rules adopted under Section 2105.202(a);

(2) is discriminatory; or

(3) is without reasonable basis in law or fact.

(b) Not later than the 30th day after the date the request is received, the agency shall conduct a hearing to determine whether the funding should be reduced. The agency and the provider may agree to postpone the hearing.

(c) An agency shall hold at least one session of the hearing in the locality served by the provider and shall hear local public comment on the matter at that time if requested to do so by:

(1) a local elected official; or

(2) an organization with 25 or more members.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2105.205. INTERIM CONTRACT PENDING HEARING. If a provider requests an administrative hearing under Section [2105.204](#), the agency may enter into an interim contract with the provider or another provider for the services formerly provided by the provider while administrative or judicial proceedings are pending.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

SUBCHAPTER F. REDUCTION OF BLOCK GRANT FUNDS FOR GEOGRAPHIC AREA

Sec. 2105.251. APPLICATION OF SUBCHAPTER; EXCEPTION. (a) This subchapter applies if:

(1) an agency reduces a provider's block grant funding by 25 percent or more; and

(2) the agency does not provide the block grant funds to another provider in the same geographic area.

(b) This subchapter does not apply if the provider received block grant funds for a specified period under a competitive evaluation of proposals.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2105.252. NOTICE TO PROVIDER. Not later than the 30th day before the date on which the block grant funds are to be reduced, an agency shall send a provider a written statement

specifying the reason for reducing the funding. The statement must be sent to the provider so that the provider has sufficient time to participate in public hearings and consultation proceedings provided by Subchapter B.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2105.253. RULES; CONSIDERATIONS. The rules adopted under Section 2105.202(a) and the considerations provided by Section 2105.202(b) apply to a reduction of block grant funds under this subchapter.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

SUBCHAPTER G. TERMINATION OF BLOCK GRANT FUNDS

Sec. 2105.301. NOTICE TO PROVIDER. An agency that proposes to terminate block grant funds of a provider that has violated the terms of a contract or grant shall send the provider a written statement specifying the reasons for the termination not later than the 31st day before the termination date.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2105.302. HEARING. (a) After receiving notice of termination of a contract or subgrant from block grant funds, a provider may request an administrative hearing under Chapter 2001.

(b) Not later than the 30th day after the date the request is received, the agency shall conduct a hearing to determine whether the funding should be terminated. The agency and the provider may agree to postpone the hearing.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

SUBCHAPTER H. JUDICIAL REVIEW

Sec. 2105.351. JUDICIAL REVIEW. A party to a hearing under Subchapter D, E, F, or G may seek judicial review of the agency's action as provided by Subchapter G, Chapter 2001.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.